

PAGES 1 - 31

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

Before The Honorable Jon S. Tigar, Judge

LAURI VALJAKKA,)
)
Plaintiffs,)
)
VS.) NO. 4:22-cv-01490-JST
)
NETFLIX, INC.)
)
Defendants.)
)

San Francisco, California (via Zoom)
Thursday, May 8, 2025

TRANSCRIPT OF REMOTE PROCEEDINGS

APPEARANCES:

For Plaintiff:

IN PRO PER

For Defendant Netflix:

Perkins Coie LLP
505 Howard Street, Suite 1000
San Francisco, CA 94105

BY: SARAH E. PIEPMEIER, ATTORNEY AT LAW

For Nonparty William P. Ramey:

Ramey LLP
5020 Montrose Blvd, Suite 800
Houston, TX 77006

BY: WILLIAM P. RAMEY, III

Also Present: Audrey Stano, Netflix

REPORTED REMOTELY BY: April Wood Brott, CSR No. 13782
Official United States Reporter

1 **Thursday - May 8, 2025**

2:06 P.M.

2 **P R O C E E D I N G S**

3 **----o0o---**

4 **THE COURTROOM DEPUTY:** The U.S. District Court is now
5 in session, the Honorable Jon Tigard presiding. Calling Civil
6 Case Number 22-1490-JST, Valjakka versus Netflix Inc.

7 Parties, please state your appearances, beginning with the
8 plaintiff.

9 **MR. VALJAKKA:** Hello. I'm Lauri Valjakka.

10 **THE COURT:** Hello, Mr. Valjakka.

11 **MS. PIEPMAYER:** Your Honor, Sarah Piepmayer from
12 Perkins Coie on behalf of Defendant Netflix, and not on video
13 but with me today is Netflix's principal counsel, Audrey Stano.
14 Thank you, Your Honor.

15 **THE COURT:** Good afternoon.

16 **MR. RAMEY:** Good afternoon, Your Honor. Bill Ramey
17 for nonparty William P. Ramey and Ramey LLP. We're ready to
18 proceed, Your Honor.

19 **THE COURT:** Welcome. The matter's on calendar for two
20 things this afternoon. One is much bigger than the other. One
21 of them is Netflix's motion for sanctions and for an order to
22 show cause re contempt, and the other is to discuss the status
23 of discovery.

24 Ms. Piepmayer filed a status report on discovery a couple
25 of days ago, and in it she lays out the facts, and she

1 concludes by saying that Netflix and Plaintiff Valjakka will be
2 prepared to discuss whether the remaining discovery can be
3 completed on the remaining schedule or not and whether some
4 adjustment might be necessary. I thought it might make sense
5 just to get it out of the way and talk about that before we
6 turn to the bigger question of the motion.

7 So Ms. Piepmeier, let me start with you, and then Mr.
8 Valjakka, I'll hear whatever you have to add.

9 **MS. PIEPMEIER:** Thank you, Your Honor.

10 We have received -- I'm not going to get into all the of
11 the details of the EDVA proceeding, unless Your Honor is
12 interested, but the upshot is we've received over a hundred
13 thousand documents in the past few weeks, which we are making
14 our way through. The current close of fact discovery is May
15 26th, 2025. There are two or so depositions remaining to be
16 taken, but obviously we would like to have reviewed, or at
17 least searched, as many of those documents as possible before.

18 So and we have, I should say, met and conferred with
19 Mr. Valjakka on this, but what we would propose, if the Court
20 is amendable to it, is extending the fact discovery deadline to
21 July 2nd -- we had originally thought a little bit earlier than
22 that, but Mr. Valjakka provided some input that July 2nd would
23 be better for him -- and to have our dispositive motion hearing
24 deadline be September 22nd with a pretrial conference statement
25 due mid-December.

1 I understand that's triggered off of the date of the
2 pretrial conference, which is obviously triggered by Your
3 Honor's calendar. So we would certainly be flexible in that
4 regard, but essentially what we're looking at is moving the
5 fact discovery cutoff approximately five weeks and then having
6 dispositive motion practice later this summer and early this
7 fall and then setting up whatever's convenient for Your Honor
8 to the extent that there needs to be a pretrial conference.

9 **THE COURT:** Okay. I can respond to that in just a
10 moment.

11 Mr. Valjakka, has what Ms. Piepmeier said -- is that
12 correct, everything that she said?

13 **MR. RAMEY:** Yes. Yes, Your Honor.

14 **THE COURT:** Okay. Well, I don't have a problem
15 extending the discovery cutoff. There's good cause for me to
16 make that order. There's a lot of material still to get
17 through, and July 2nd seems like a perfectly fine date. I've
18 not pulled up the scheduling order that I issued before on my
19 screen. Typically I set a dispositive motion -- well, I do. A
20 hearing deadline. That's right. Okay. So I apologize. I'm
21 just coming from something else, an event I was speaking at; so
22 I'm a little bit at cross purposes.

23 Anyway, yeah. So I'm happy to set a hearing deadline of
24 September 22nd. At the moment, I think it would be the 20 --
25 oh, I take it back. September -- it would be on a Thursday,

1 and the 25th actually happens to be a court retreat. All the
2 judges will be sitting in a conference room talking about court
3 rules and things like that. So we could go to October
4 2nd and make that the hearing deadline.

5 **MS. PIEPMEIER:** Your Honor, speaking on behalf of
6 Netflix, I believe that is fine. I would love the opportunity
7 to consult with my client and co-counsel, if that's acceptable,
8 and we could file something promptly after we do that.

9 **THE COURT:** My suggestion is this, just because I want
10 to avoid having too many back and forth communications between
11 you, the Court, Mr. Valjakka, your client because there are
12 other dates we need to set also -- pretrial conference, a
13 trial, and I need to ensure that there's sufficient distance
14 between the pretrial conference and the summary judgment
15 hearing date so we can get the work done and you can know what
16 the Court's ruling is before you're preparing for trial, and
17 then I need to make sure I'm available on that date.

18 So my proposal would be why don't I just start with
19 October 2nd as a hearing date, issue an amended scheduling
20 order, you can see it, Mr. Valjakka can see it, and then if you
21 have any concerns about the dates or they need to be adjusted,
22 that's fine. Just get in touch with the Court. We can have a
23 case management conference. We can move the dates. My hunch
24 is that the dates will be fine, and then no one will have
25 anything further to do.

1 **MS. PIEPMEIER:** Thank you, Your Honor. I just
2 confirmed the most important date, which is I'm not running the
3 Chicago Marathon until the following week. So at least I
4 should be good.

5 **THE COURT:** Very good.

6 **MS. PIEPMEIER:** I'll let my client speak for herself,
7 but thank you, Your Honor. That sounds perfect.

8 **THE COURT:** All right. Mr. Valjakka, is October 2nd
9 okay with you as a hearing date?

10 **MR. RAMEY:** Yes, Your Honor.

11 **THE COURT:** Okay. Terrific. So as I said, I'll start
12 with that, I'll issue an amended scheduling order, and then we
13 can take care of any amendments to that order later if we need
14 to.

15 Mr. Valjakka, you're welcome to stay if you want to watch
16 the hearing involving Mr. Ramey. It's still your case,
17 although you're not, I don't think, directly affected by that
18 motion, so -- but that's what we're going to do now. We're
19 going to turn to that motion.

20 **MR. VALJAKKA:** Thank you, Your Honor.

21 **THE COURT:** And I've read the papers. So I think I'm
22 prepared for the hearing today.

23 Ms. Piepmeier, it's your motion. You can go first.

24 **MS. PIEPMEIER:** Thank you, Your Honor. I'm going to
25 try not to repeat anything that is in the papers, and I'm going

1 to try to keep this brief.

2 Mr. Ramey claims that this entire dispute, kerfuffle, is
3 much ado about nothing, but in the 20 years that I've been
4 practicing in this district, I have never once come across a
5 situation where opposing counsel purposely provided
6 documents -- confidential documents, technical documents,
7 financial documents, source code -- to a third party.

8 I've never seen that happen. I've never even read a case
9 where that happened before. The closest case we have found is
10 the Apple/Samsung disputes. Those are close, but those don't
11 reach this level. And Netflix is treating this as a big deal
12 because it is a big deal.

13 Now, let me start with just a few facts that are not in
14 dispute, or at least that I believe I think are not in dispute.
15 Things have changed a little bit as we've gone through
16 briefing, but I understand these facts to not be in dispute:
17 First, Mr. Ramey repeatedly disclosed Netflix confidential
18 information to a third party over the course of approximately a
19 year, at least a year.

20 This was not inadvertent. This was not a mistake. In
21 *Apple-Samsung*, as Your Honor may know, this began with a
22 mistake of failed redaction. This did not begin as a mistake
23 or end as a mistake. Second, Mr. Ramey apparently viewed AiPi
24 as his co-counsel, and yet he never mentioned them to Netflix
25 until over two years into this litigation, and he apparently

1 never told them to appear as counsel.

2 Or actually, I don't know if he told them, but they never
3 appeared as counsel. Mild footnote on that, which I'll come to
4 in a second. As far as we know, he never asked them to sign on
5 to the protective order until after we raised this issue to him
6 years into the litigation when we discovered it, and it took
7 him over a month to even respond to our email when we
8 discovered the disclosure, the improper disclosure. That is
9 not consistent with taking this seriously. That is not
10 consistent with "Oh, this was a mistake."

11 Now, why is this a big deal? Let me go back to that.
12 This is a big deal for two reasons, other than the fact that
13 it's somewhat shocking in that it was purposeful. The first
14 reason it's a big deal, Your Honor, is that AiPi, this
15 organization and individuals associated with it, is a
16 litigation funder. It's not a law firm, although lawyers work
17 there or worked there. I don't even know who's still there at
18 this point. This is not co-counsel.

19 This is not me, Sarah Piepmeier, Perkins Coie, working
20 with Baker Botts as co-counsel. This is Mr. Ramey working with
21 a litigation funder. Their business is to find lawsuits,
22 underwrite them, and sue companies such as Netflix. And the
23 concern here isn't just, "Oh, AiPi is going to have access to
24 some Netflix confidential information, which they shouldn't
25 have for purposes of this suit, and it might influence how they

1 view continuing to fund or settlement" or whatever it is that
2 they're able to do.

3 The issue, Your Honor, is that they are still to this day
4 looking for new lawsuits to underwrite, and they have
5 confidential information about Netflix's financials, technical
6 information, and source code that could influence their
7 decision to underwrite new cases or that could inspire them to
8 bring new cases. That's a really big deal, and that is a very,
9 very different scenario from just kind of an improper
10 disclosure to another set of lawyers.

11 The second reason, Your Honor, is that most of the
12 individuals that we know about are patent prosecutors. So
13 they're wearing a bunch of hats at AiPi. They're lawyers,
14 they're doing some kind of legal work, although they're not a
15 law firm.

16 They're litigation funders, and they're patent
17 prosecutors, and they now have access to Netflix's technical
18 information and source code while they are prosecuting patents.
19 That's the precise reason we have a Prosecution Bar in the
20 protective order. They've never signed on to that. For all we
21 know, they are prosecuting patents right now directly to read
22 on Netflix's technology. Your Honor, this is egregious.

23 Now, the timeline of all of this suggests that this wasn't
24 a mistake. This was an intentional desire to withhold the
25 identify of AiPi from Netflix. And I've actually prepared a

1 brief timeline that I think would be helpful to show. Would it
2 be okay, Your Honor, if I put that up on the screen?

3 **THE COURT:** That's fine.

4 **MS. PIEPMAYER:** Okay. This is the only slide I have,
5 and it will be brief. The last thing I want to do is show a
6 bunch of slides.

7 So, Your Honor, what we have here is a timeline that is
8 showing the litigation, salient litigation events and the
9 disclosures. Now, we know from the documents that we've seen
10 that these disclosures occurred for approximately or at least,
11 I should say, a year from late -- from August 2022 through July
12 2023. That is the main period during which Netflix was
13 producing confidential information. Nobody mentioned AiPi to
14 us at all until the fall of 2023.

15 The only -- we didn't even know they existed. So the idea
16 that we knew or somehow, you know, agreed that they were
17 receiving Netflix confidential information is frankly
18 preposterous. But I want to point out a few dates that I think
19 are really significant here that show the intent to hide AiPi,
20 which obviously then hid the fact that they had this
21 information.

22 The first, Your Honor, is that the local Rule 315
23 certificate that Valjakka filed when this case was transferred
24 didn't include AiPi. We had no idea that they were in any way
25 involved. It did include the Ramey firm. It did not include

1 AiPi.

2 We started producing documents after that. We produced
3 source code. How did we first learn that AiPi was even a
4 thing, that it was an entity? We learned it because they
5 produced documents in Finnish, a whole bunch of Finnish
6 documents, and we just had them translated because we didn't
7 know what they were. In Mr. Valjakka's deposition on June 1st,
8 2023, we asked him what is this AiPi, and he said, "It's my
9 litigation funder."

10 Nobody ever said, "Oh, they're my counsel," or, you know,
11 that didn't spur them, for example, to amend their Local 315
12 certification to add AiPi. In fact, they did amend it, but
13 they didn't add AiPi at that point. So it's still being hidden
14 from us. We first find out in October of 2023 that AiPi
15 actually has lawyers that are somehow involved when the whole
16 CUVTA dispute starts.

17 And Mr. Ramey mentions them in an email in response as Mr.
18 Valjakka's counsel representing him. He never says, "Oh,
19 they're going to be, you know, accessing Netflix's confidential
20 information." And then interestingly, Your Honor, on October
21 25th, 2023, Joe Zito, who is somehow affiliated with AiPi and
22 Whitestone Law, files a pro hac to represent Mr. Valjakka.

23 The very next day, Your Honor, the Court issued an order
24 to show cause why that shouldn't be withdrawn because there was
25 no local counsel within California to serve as his sponsor. So

1 he withdraws that. So at that point we certainly have no
2 reason to believe that anyone affiliated with AiPi is appearing
3 in this case, is accessing Netflix's confidential information.

4 **THE COURT:** Let me ask you a question, because I don't
5 recall having seen it addressed in the papers filed by either
6 side, and I'm not even sure it's relevant, but I recall
7 sometime in the -- around the beginning of 2024, January or
8 February, there was a hearing in which the question was whether
9 Whitestone Law should be disqualified from representing AiPi,
10 and I sort of had to go around the mulberry bush a little bit
11 with Mr. Zito, but he eventually conceded that there was a
12 conflict, that AiPi and Mr. Valjakka had become adverse, and
13 he, I think, really wanted me not to grant the motion because
14 he just wanted to withdraw it. But anyway, I granted the
15 motion.

16 Does that play into this somehow? Because Zito's -- you
17 know, does that -- I mean, if it does play into it, it makes it
18 worse. I'm just not sure how it plays into it.

19 **MS. PIEPMAYER:** So, Your Honor, this is part of the
20 confusion. I think Your Honor is hitting on part of the
21 confusion that we've had all along, which is what is AiPi, what
22 type of entity is it, what lawyers are associated with it, and
23 what are their interests. Whom are they representing, if
24 anyone?

25 And at first we thought, for one day at least, that Joe

1 Zito was representing Mr. Valjakka because he filed a pro hac,
2 and then he withdrew it after Your Honor issued the order to
3 show cause. Then he files a pro hac for AiPi, and we were
4 interacting with him as AiPi's counsel. That is how we
5 understood his role in the CUVTA dispute.

6 Now, you're right, Your Honor. At some point during that
7 fall, his interests became -- or their interests -- his
8 interests. I don't know whether to say his or theirs because I
9 don't even know what the full entity --

10 **THE COURT:** Right, because it was a finger -- it had
11 become a finger-pointing exercise regarding who might have to
12 pay any CUVTA --

13 **MS. PIEPMAYER:** Well --

14 **THE COURT:** -- damages, I think.

15 **MS. PIEPMAYER:** Well, and beyond that, Your Honor, for
16 the forthcoming fees motion, yes, but I think it does make it
17 worse, Your Honor, to answer your question directly, because
18 our understanding is that there was, at least by that point --
19 just don't know when it happened -- an adversity between Mr.
20 Valjakka and AiPi. And so if that is the case, the idea that
21 these materials of Netflix were being disclosed seems even more
22 ridiculous because how could they have been counsel for Mr.
23 Valjakka?

24 The reason that I footnote that a little bit, Your Honor,
25 is that the adversity didn't exist ab initio. The adversity

1 became apparent at some point, and so if --

2 **THE COURT:** Right.

3 MS. PIEPMEIER: And so if the disclosures happened
4 earlier, I can't impute some kind --

5 **THE COURT:** I think, yeah. Just to interrupt you and
6 myself in the thought process, I think pursuing that line of
7 inquiry further would require figuring out whether there was an
8 -- whether there became an independent duty of disclosure of
9 some kind once the adversity became known. And we don't have
10 the people in front of us or the facts that would be required
11 to follow up on that, so I'll just leave it alone.

12 **MS. PIEPMEIER:** Okay. Thank you, Your Honor. And
13 I'll be brief on finishing this timeline.

14 My point in this is that throughout the entire period
15 where Netflix was providing confidential information, it didn't
16 even know who AiPi was. When it did find out who AiPi was, we
17 understood that they were a litigation funder. And then in the
18 fall of 2023, after we had produced everything and when we were
19 basically doing summary judgment briefing, we were introduced
20 to certain people affiliated with AiPi as counsel for Mr.
21 Valjakka, but we're never told that they are going to be
22 accessing confidential information.

23 And I want to make one point. Mr. Ramey points out in his
24 opposition that we should have known because, you know, there
25 were a bunch of them at Mr. Valjakka's second deposition, which

1 was in the fall of 2023. That is true, Your Honor, and in
2 fact, I still have in my mind, from watching that on Zoom, a
3 mental image of the conference room with a whole bunch of AiPi
4 lawyers -- or people -- I don't know who they were -- sitting
5 around.

6 Here's the difference: It's one thing to say, "I have,
7 you know, counsel who's representing my interests." It's
8 another thing for them to appear in a lawsuit and sign on to
9 the protective order. I viewed that at the time, Your Honor,
10 as akin to how I sometimes have in-house counsel sitting in on
11 a client's deposition. That doesn't mean they have the right
12 to access the other side's confidential information. They're
13 there for their own sides's confidential information.

14 And they were relevant to CUVTA, not to Netflix, right?
15 They were on the Valjakka, Ramey, AiPi, CUVTA side of things,
16 not on the Netflix side of things. So there's absolutely no
17 way that that put us on notice that our confidential
18 information would be produced in any way or had been
19 disseminated.

20 The thing that I find most telling, Your Honor, is that we
21 had years -- years -- when we could have learned about this,
22 when they could have followed the appropriate procedures.
23 Frankly, we would have objected had we known. There is no way
24 in the world Netflix would have said, "Oh, yeah. Please go
25 ahead and share this information with a litigation funder."

1 That's just preposterous.

2 The moment we found out about this in late December over
3 the holidays, we instantly emailed Mr. Ramey and everyone, and
4 then we met and conferred pursuant to the Court's rules, and
5 then we filed this motion. The idea that we had known about
6 this for a year is preposterous. And even if we had, it can't
7 undo the harm.

8 So let me go, Your Honor, to what we think should be done
9 at this point. And I'll take down the timeline because I know
10 that that can be distracting.

11 **THE COURT:** On the "what should be done" point, let me
12 ask you a question. If I were concerned that, quote, "all
13 documents and communications between Ramey LLP and AiPi related
14 to this action" were overbroad, what would you think about
15 adding to that phrase the words "that contain, refer to, or
16 relate to discovery of any kind produced by Netflix"? And
17 beyond the question of what you would think about that, the
18 question would be if you don't like it, what relevance does it
19 not reach?

20 **MS. PIEPMAYER:** Your Honor, thank you for that. What
21 I think it doesn't reach is communications with experts, draft
22 expert reports. Maybe that's implicit in what Your Honor's
23 talking about, but we understand that essentially AiPi was on
24 the phone with and sharing information with Mr. Ramey and
25 experts.

1 And so I want to make sure it's not just discovery that
2 Netflix produced but the analysis thereof. That, as Your Honor
3 knows, is what was at issue in *Apple-Samsung*. It was an expert
4 report. And I want to make sure that sort of information would
5 be covered.

6 **THE COURT:** If the expert...

7 **MS. PIEPMAYER:** Perhaps it is implicitly, but, you
8 know, we'd like to be explicit.

9 **THE COURT:** What if I were to add the phrase "or rely
10 upon" so that an expert has relied upon or incorporated
11 Netflix's discovery in her work?

12 **MS. PIEPMAYER:** Yes.

13 **THE COURT:** So then it would say that "contain, refer
14 to, relate to, or rely upon discovery of any kind produced by
15 Netflix."

16 **MS. PIEPMAYER:** I think that is appropriate, Your
17 Honor.

18 **THE COURT:** All right. You should finish your
19 argument about remedy then.

20 **MS. PIEPMAYER:** Okay. Thank you, Your Honor.

21 So the first thing, Your Honor, is we do think there
22 should be an order to show cause on civil contempt. I'll set
23 that aside that we've already said that. That's obviously Your
24 Honor's decision.

25 We do think, as we said in our motion, that our fees in

1 bringing this motion and investigating it would be appropriate.
2 We can't itemize them because I'm still arguing about this
3 right now, and to the extent that there's any remedial
4 information that we need to look at, we think that would be
5 included.

6 We also think, Your Honor, that it would be appropriate
7 for us to, after the production, have a half-day deposition of
8 Mr. Ramey. We believe that anyone who has received this
9 Netflix confidential information who has not signed on to the
10 protective order needs to do so immediately and needs to be
11 bound by it, including the Prosecution Bar. That's obviously
12 of vital importance to Netflix.

13 I will say, Your Honor, I'm not sure -- the Prosecution
14 Bar exists in the protective order -- it would serve that
15 purpose. One thing that I am concerned about here is I don't
16 know what to do about the litigation funding piece. Part of
17 me, Your Honor -- and Your Honor will probably see this as
18 overbroad, but I would like to have an injunction prohibiting
19 AiPi from bringing any kind of a suit against Netflix for a
20 period of time.

21 **THE COURT:** You don't request that relief, so I don't
22 have anything to say about it.

23 **MS. PIEPMAYER:** Okay. Thank you, Your Honor.

24 We also -- I'm sorry. You look like you're about to
25 speak. I don't mean to interrupt you.

1 **THE COURT:** I'm not.

2 **MS. PIEPMAYER:** Okay. We also think that referral to
3 the State Bar would be appropriate for the improper disclosure
4 by Mr. Ramey and anyone else who provided that information.
5 And Your Honor may have seen that in the recent order from
6 Judge Kang in the Koji matter, similar certification
7 requirement.

8 **THE COURT:** Yes, I'm aware of Judge Kang's order.

9 **MS. PIEPMAYER:** That, Your Honor, would be the relief
10 we're requesting at this time. Obviously I don't know, to the
11 extent Your Honor orders any discovery, what that might entail,
12 but at this point, this is what we know about.

13 **THE COURT:** Thank you, Ms. Piepmeyer.

14 Mr. Ramey?

15 **MS. PIEPMAYER:** Thank you, Your Honor.

16 **MR. RAMEY:** Yes. Good afternoon, Your Honor. Bill
17 Ramey again for William Ramey and Ramey LLP.

18 I want to, if I could, Your Honor, start with the
19 protective order, start with docket Number 56, and while we
20 thought we had a good faith basis in sharing the information
21 that we did, we felt that the lawyers -- we're not talking
22 about AiPi being an entity that received documents. We dealt
23 with lawyers on that side.

24 We, in fact, had a partnership, working relationship, with
25 the lawyers that are in AiPi, which were Eric Morehouse; Erik

1 Lund; Ken Sheets; Weir King; and later on, Joe Zito. Those are
2 the only lawyers we ever dealt with and gave the Netflix
3 confidential information to. Those are the ones we worked
4 with.

5 And if you go back to document Number 56, Your Honor, it
6 -- outside counsel is defined as attorneys who are not
7 employees of a party to this action but are retained to
8 represent or advise a party to this action and have appeared in
9 this action on behalf of that party or affiliated with the law
10 firm that has appeared on behalf of that party.

11 And so we always felt that those lawyers were affiliated
12 with my firm because there was a connected operation, connected
13 services that we were providing for Valjakka. And as this
14 court is aware, Mr. Valjakka has submitted declarations of
15 evidence to this court that he felt that Eric Morehouse, Erik
16 Lund, Ken Sheets, Weir King, and Joe Zito each were his his
17 lawyers and he knew they were involved in the case.

18 So this is not a -- this is -- this isn't a question of us
19 giving dockets to an elusive funder, but I do of course make
20 that argument even if we did, just that AiPi is a separate
21 entity. They were providing litigation support services that
22 would be covered as apparent exclusive protective order as
23 well.

24 So we felt we have a good faith and reasonable
25 interpretation of the protective order that was entered by this

1 court just because it fits within the affiliated language, we
2 always felt. We never hid anything from Netflix about this. I
3 want to --

4 **THE COURT:** Is there any magic, Mr. Ramey, to the
5 part, to the phrase "of record"? I did pull up the protective
6 order onto my screen, clicked away and looked at it briefly.
7 It's quite dense, so I obviously did not read it while you were
8 arguing, but I did see that the term "outside counsel" is
9 defined. But I also see that attorneys' eyes only material are
10 only to be disclosed to outside counsel, quote, "of record,"
11 and I wonder if you could tell me what the significance of that
12 phrase is, since "record" -- since the R in "record" is
13 capitalized, it's obviously a defined term.

14 **MR. RAMEY:** Yes, Your Honor. So how we felt with that
15 was his outside counsel of record. So outside counsel though
16 is -- of record -- I just read you that definition, Your Honor.
17 That was the affiliated -- the language that had that
18 "affiliated" in it. That comes directly from, Your Honor,
19 document Number 56 at 3.

20 **THE COURT:** I see. And so -- oh, that's right. So
21 there's a paragraph, 2.11, on page 3 of the document which says
22 "outside counsel of record" or, quote, "attorneys who are not
23 employees of a party to this action but are retained to
24 represent or advise a party to this action and have appeared in
25 this action on behalf of that party" -- oh, I see -- "or are

1 affiliated with the law firm which has appeared on behalf of
2 that party."

3 And your contention is that they were affiliated with you?

4 **MR. RAMEY:** Yes, or even affiliated with Whitestone
5 Law. We heard Ms. Piepmeier bring up that they had no idea
6 that Whitestone Law might have had access to material, but they
7 appeared for the deposition of Mr. Valjakka.

8 **THE COURT:** What is it about their having appeared at
9 a deposition that automatically would lead a careful lawyer to
10 conclude that you had shared source code and Netflix financial
11 documents with them? These are not matters -- I ask that
12 question because, of course, these are not matters within Mr.
13 Valjakka's knowledge, so it's unlikely to arise at the
14 deposition.

15 **MR. RAMEY:** Yes, Your Honor, but we, in fact, did
16 disclose in October of 2023. I think that's --

17 **THE COURT:** Right. That's a separate matter. I'm
18 asking you about a question about an argument you made in your
19 papers and that you just made to me, which is the fact that
20 these lawyers who were sitting at your client's deposition
21 should have told Netflix that you had disclosed their
22 documents. And I'm asking you again what is it about those
23 circumstances that would lead someone to draw that inference?

24 **MR. RAMEY:** Your Honor, I'm simply going off of what
25 the protective order says for what it -- what is outside

1 counsel and who's permitted to see the information. We didn't
2 -- that's all I'm going off of. I'm just my reasonable --

3 **THE COURT:** Fair enough.

4 **MR. RAMEY:** -- what I believed was reasonable.

5 **THE COURT:** Fair enough. So is the argument that any
6 time other lawyers beyond those who are signatories to a
7 protective order -- if any lawyers, other lawyers, surface
8 during the litigation, that the other side should reasonably
9 conclude that those lawyers also got access to attorneys' eyes
10 only documents even if that fact is not stated?

11 **MR. RAMEY:** Your Honor, I think that's maybe a little
12 bit broader than I would go. Here, we weren't trying to hide
13 them. We felt they fit within the definition of "affiliated,"
14 and of course -- as there's been a lot of testimony before this
15 court how we worked with AiPi and how -- what then later on --
16 who were the Whitestone lawyers. The simple fact that they
17 carry an AiPi email address seems to be what Netflix is
18 concerned about, that AiPi got their information. And I can
19 guarantee -- and I've tried to be very transparent with
20 Netflix.

21 And then on top of that, Your Honor, if we could go to
22 paragraph 15 of my declaration submitted in support of our
23 response, I have spoken to each of these lawyers -- Eric
24 Morehouse, Ken Sheets, Weir King, and Erik Lund -- and they've
25 all verified that they have treated the material subject to the

1 terms of the protective order. So there's -- that removes the
2 harm aspect that we're talking about.

3 **THE COURT:** I don't -- I don't -- I'm not sure that
4 Netflix is required to show harm. But putting that to one
5 side, do you disagree with the principle that one of the
6 reasons that parties who are going to divulge information enter
7 into protective orders is so that they will be aware of who has
8 their information? Do you disagree with that as a general
9 principal?

10 **MR. RAMEY:** No, Your Honor. I agree with that a
11 hundred percent.

12 **THE COURT:** Okay.

13 **MR. RAMEY:** And so we would assume -- and it was our
14 interpretation of the contract that, because we were working
15 with four affiliated -- what we considered the affiliated
16 lawyers, that's why we shared the information with them. We've
17 gone out of our way to try to reassure Netflix, since they made
18 us aware, that there wasn't any improper use of that material.
19 We think we provided that assurance.

20 I would like to touch on that, if I may, Your Honor, a few
21 things Ms. Piepmeier brought up. She says that they notified
22 me and it took a month with us to get back with them. I was
23 out of town in Fort West, Texas over the -- on December 30th.
24 I don't even think I read the email until about a week later,
25 and then of course the first thing I did was try to figure out

1 what's going -- you know, what's the issue here.

2 So I contacted at the time Eric Morehouse's lawyer in
3 Virginia, and that's how I became aware of the matters that
4 were going on in Virginia. So I did start my investigation,
5 and I got back with them three weeks after that initial email
6 from them, which I think is very reasonable, considering the
7 allegations they were making.

8 And I got back and I said, "Look, here's what I'm going to
9 identify." I went through everything. I found out, "Okay.
10 Here's another person that" -- Weir King -- he was the lawyer
11 we hadn't originally included on there. So I made them aware
12 that he had also received that information. So we've tried to
13 work with them at every step along the way.

14 I have not asked them to sign a -- well, I may have, but
15 they have not signed the protective order at this point. But
16 if the -- if that would solve this issue for the Court, I'm
17 welcome to go back to them and ask if they'll sign the
18 acknowledgement on a protective order. They've all put forward
19 in declarations, even Gary Morehouse in a separate one, that he
20 has --

21 **THE COURT:** Mr. Ramey, I think that horse has already
22 left the barn.

23 **MR. RAMEY:** Pardon me, sir?

24 **THE COURT:** You asked if I wanted these other lawyers
25 to sign the protective order. I said I think that horse has

1 already left the barn.

2 **MR. RAMEY:** Oh. Your Honor, and I don't think there's
3 been any harm shown here. And if we go back to the case that
4 we cited at the start, the -- the case -- it's *Life*
5 *Technologies vs. Biosearch*. It's 2012 Westlaw 6160039. It
6 relies on the principal case, the *In Re Crystal Palace* case,
7 that any -- indeed, if there is civil contempt found of a
8 breach of this court's protective order, they're stuck with the
9 damages of their actual harm they've experienced from the
10 result to this, and it shouldn't be a fishing expedition. They
11 shouldn't be able to get damages that are --

12 **THE COURT:** Mr. Ramey.

13 **MR. RAMEY:** -- broader than the actual harm.

14 **THE COURT:** I've got enough to do in this case. I'm
15 not likely to issue an order to show cause re contempt. I just
16 don't think I need to. I mean, I don't want to give away the
17 ruling, but let's assume for the sake of argument that I'm
18 going to grant Netflix's motion for sanctions under Rule 37
19 and, if I thought it were appropriate, refer you to the State
20 Bar or this court's professional practice committee, which is a
21 separate decision I need to make, I think, outside of this
22 motion.

23 I don't know why on earth I would then pursue contempt
24 proceedings, which is just a lot more work for everybody. I
25 think -- I'll just say coming into this hearing, I think

1 Netflix made a pretty good argument that its material was
2 improperly disclosed, and they're not required to show harm. I
3 think they have. I don't think having people affiliated with a
4 litigation funder look at Netflix's source code is a situation
5 of no harm.

6 But anyway, I don't think they're required to show harm,
7 and I think that if that's the ruling I wind up sticking with,
8 that attorneys fees as a sanction are going to be appropriate,
9 and I have a feeling that those attorneys fees are going to be
10 very substantial. So I don't think you -- I guess what I'm
11 telling you is until I tell you otherwise in this hearing, I
12 don't think you need to argue contempt. I just don't think I'm
13 going there.

14 **MR. RAMEY:** Yes, Your Honor.

15 So to go back to what we were trying to base this on was
16 what we did to the protective order was we just had a good
17 faith interpretation of what we thought the term "affiliated"
18 meant when it was attached to the outside counsel. I didn't go
19 any further than looking at docket Number 56 and what I felt
20 was within the terms of the protective order.

21 And we didn't try to -- we didn't try to hide anything
22 from Netflix or in any other way not be forthright with them.
23 In fact, we've done -- since they raised their concern with us,
24 we've done everything we can to show them that their -- that we
25 didn't use, that there wasn't improper use of material, if they

1 felt it was an improper disclosure to show there was no
2 improper use.

3 And we think we've done that. As each of the Netflix --
4 or each of the -- what they're calling AiPi lawyers and I'm
5 calling the Whitestone lawyers -- Eric Morehouse, Erik Lund,
6 Ken Sheets, and Weir King -- have already agreed to be bound by
7 the terms of the protective order. I don't think that it does
8 show any further harm for what Ms. Piepmeier is concerned about
9 on the Prosecution Bar.

10 I think that they've all testified, they've all put
11 evidence before the Court that they would be bound by those
12 terms, and I don't think that the -- that therefore that
13 further harm can be shown by that if there was shown to be a
14 technical breach of the protective order and that I shouldn't
15 have read the affiliated language to cover the lawyers Eric
16 Morehouse, Erik Lund, Ken Sheets, and Weir King.

17 Now, with regards to this court's question of whether or
18 not referral to the State Bar or the disciplinary regulators --
19 I don't think that would be appropriate because this was a good
20 faith, a reasonable -- we tried to interpret the term
21 "affiliated" what we thought would fit within there. So it was
22 our belief, and we don't -- it wasn't bad faith that was
23 attached to this. There was no bad faith.

24 And we didn't give the documents, in our minds, to AiPi as
25 a litigation funder. In our minds, the way AiPi funds

1 litigation is they merely set up separate entities that are in
2 control of that. Eric Morehouse, Erik Lund -- they don't --
3 they're not involved in that at all. They're simply involved
4 in providing the litigation support services that I've talked
5 about in numerous filings with this court. So in our mind,
6 AiPi -- there's -- it's not a litigation funder they're dealing
7 with. We're dealing with litigation support services, as Erik
8 Lund testified about in his declaration.

9 And then the -- on top of that, the partnership that we
10 had, that we worked with the lawyers themselves was for
11 providing the technical support for our firm to be able to
12 prosecute the case. And then that's really all I can say with
13 that, Your Honor. It was just our good faith, what we thought
14 was a good faith and reasonable interpretation of the term
15 "affiliated."

16 Thank you, Your Honor.

17 **THE COURT:** Thank you, Mr. Ramey.

18 Ms. Piepmeier, you're ahead on points, and I think
19 I -- in my comments to Mr. Ramey, I signaled pretty clearly
20 what the Court's ruling was likely to be. With that
21 background, is there anything further you want to add?

22 **MS. PIEPMEIER:** Your Honor, I'm going to test my luck,
23 and I'm going to just say two quick things very, very briefly.

24 First of all, Your Honor, if Mr. Ramey's interpretation of
25 Section 2.11 of the protective order were correct, any law firm

1 could be affiliated, any law firm at all. That's just not
2 reasonable.

3 Second of all, Your Honor, the idea that "Oh, I was
4 disclosing this information to them as lawyers, not as a
5 litigation funder." You know, "Just ignore the fact that
6 that's what their email address is," is absolutely ludicrous
7 when it's the same people who are acting in both capacities.
8 They can't just take off their litigation funder hat and say,
9 "Today I'm a lawyer."

10 So with that, Your Honor, I will rest. Thank you.

11 **THE COURT:** Mr. Ramey, is there anything you'd like to
12 say just in response to Ms. Piepmeier's two quick comments?

13 **MR. RAMEY:** Yes, Your Honor.

14 It's just simply that it's not uncommon that lawyers
15 sometimes do have more than one business that they work with,
16 and so I don't think -- I think the simple fact that they might
17 have -- that we were transacting with an AiPi email address
18 doesn't mean that the documents were going into the funding
19 part of the business. That -- like as I said, that was
20 separately -- there was a separate LLCs that they worked with.
21 This -- Eric Morehouse, Erik Lund, Ken Sheets, and Weir King
22 were providing the litigation support services that I was using
23 and working with on Mr. Valjakka's case.

24 And with that, thank you, Your Honor.

25 **THE COURT:** Thank you, Mr. Ramey. This motion is now

1 under submission. Thank you.

2 (The proceedings concluded at 2:47 P.M.)

3 -----o0o-----

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

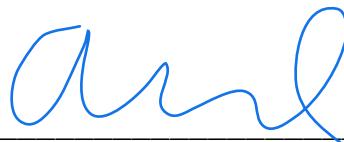
25

1 CERTIFICATE OF REPORTER

2 I certify that the foregoing is a correct transcript from
3 the record of proceedings in the above-entitled matter.

4

5 DATE: Monday, May 12, 2025

6 
7

8 April Wood Brott, CSR No. 13782

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25